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ECONOMIC COMMISSION FOR AFRICA

**Ninth meeting of the Technical
Preparatory Committee of the
Whole**

**Niamey, Niger
5-12 April 1988**

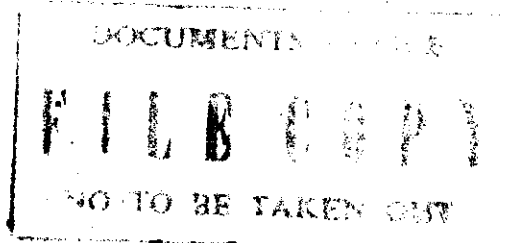
Item 7(c) of the provisional agenda*

ECONOMIC COMMISSION FOR AFRICA

**Twenty-third session of the
Commission/fourteenth meeting
of the Conference of Ministers**

**Niamey, Niger
14-18 April 1988**

Item 6[(f)(iii)] of the provisional agenda**



**REPORT OF THE SEVENTH MEETING OF THE INTERGOVERNMENTAL COMMITTEE
OF EXPERTS OF AFRICAN LEAST DEVELOPED COUNTRIES**

* E/ECA/TPCW.9/1/Rev.1.
** E/ECA/CM.14/1.

C. ACCOUNT OF PROCEEDINGS

Opening addresses

6. In a statement read on his behalf by Mr. J. O. Aiyegbusi, Chief, Policy and Programme Co-ordination Office of the Economic Commission for Africa, the Executive Secretary of ECA, Mr. Adebayo Adedeji welcomed the delegates to the meeting and thanked the host Government and through it the people of Niger for their generosity, hospitality and for the excellent facilities that had been provided for the meeting. He also expressed his appreciation to Mr. Saidou Suleyman, General Secretary, Ministry of Planning, for his presence to officiate at the opening ceremony.

7. In assessing the economic performance of the African LDCs during 1986-1987, the Executive Secretary stated that there had been a slow-down in the average rate of growth of the combined GDP of the African LDCs which had stood at 3.7 per cent in 1987 compared to 4.6 per cent in 1986.

8. The overall food situation in African LDCs had been generally satisfactory. Total grain production was estimated at 26.1 million tons in 1987 against an estimated requirement of 29.4 million tons. The food gap was made up by commercial imports of grains and food aid which accounted for 8.8 per cent of the total food requirement.

9. In spite of the gains on food self-sufficiency, the long-term economic indicators of African LDCs were a cause for concern as structural imbalances had continued to worsen with stagnating per capita income, the dependency on mono crop export increasing, total external trade still accounting for a large share of GDP, and other vital sectors such as agro-industries and transport and communications contributing only a negligible share of GDP.

10. The African LDCs also continued to suffer from severe exogenous shocks arising from depressed commodity prices, high level of external indebtedness, sluggish aid flows, the collapse of private lending and high interest rates. As if those difficulties were not daunting enough, the bulk of them had suffered from drought and famine during the period 1966-1969, 1972-1974 and 1982-1986. Those disasters had not only adversely affected agriculture and destroyed a significant proportion of the livestock populations of the member States, they had also contributed to the acceleration of desertification and the disappearance of forests. All those factors had combined to increase unemployment and poverty.

11. To counteract those problems, African LDCs had embarked on a desperate search for external resources. By 1986, their total external debt had reached \$US 33.1 billion, which was equivalent to 73.6 per cent of their GDP at 1980 constant prices, and 355.0 per cent of their total exports. Debt servicing absorbed 37.0 per cent of their total export earnings. In spite of that debt burden, the African LDCs had been expected to adjust with no explicit concern for income distribution and poverty. They were not only to amortize their

A. ATTENDANCE AND ORGANIZATION OF WORK

1. The seventh meeting of the Intergovernmental Committee of Experts of African Least Developed Countries was held in Niamey, the Niger, from 1 to 4 April 1988 to prepare for the eighth meeting of the Conference of Ministers of African Least Developed Countries, scheduled to take place in Niamey, the Niger, from 13 to 14 April 1988. The meeting was formally opened by Mr. Saidou Suleyman, General Secretary, Ministry of Planning of the Government of Niger. A Statement by the Executive Secretary of ECA was also delivered at the opening ceremony.
2. The meeting was attended by representatives of the following African least developed countries (LDCs): Benin, Botswana, Burkina Faso, Burundi, the Comoros, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Lesotho, Malawi, Mauritania, the Niger, Rwanda, Togo and the United Republic of Tanzania.
3. Also attending the meeting as observers were the representatives of the United Nations Development Programme (UNDP), the United Nations Conference on Trade and Development (UNCTAD), Fonds de développement des Nations Unies pour la femme (UNIFEM) and the Organization of African Unity (OAU).
4. The Committee elected the following officers: Chairman, Mr. Mansour Mamane (the Niger); Vice-Chairman, Mr. Gerald Nyadze Thipe (Botswana); and Rapporteur, Mr. Dender Woldemariam (Ethiopia).

B. AGENDA

5. On 1 April 1988 the meeting adopted the following agenda:
 1. Opening of the meeting.
 2. Election of officers.
 3. Adoption of the agenda and organization of work.
 4. Review of economic and social conditions in African least developed countries, 1986-1987.
 5. Progress towards the implementation of the Substantial New Programme of Action in African least developed countries.
 6. The development and utilization of human resources in African least developed countries.
 7. Review of ECA activities in 1986-1987 and work programme for 1988-1989 in favour of the African least developed countries.
 8. Consideration and adoption of the report of the experts.
 9. Closure of the meeting.

loans, they had also to bear the rising costs of interest on loans; poverty could wait, the banks could not!

12. Turning to the progress made in implementing the Substantial New Programme of Action (SNPA), the Executive Secretary said that since the adoption of the SNPA in 1981, all the LDCs had had to respond to major domestic and external imbalances in their economies. Seventeen least developed countries in Africa had adopted adjustment and stabilization programmes in 1986 with the assistance of World Bank and IMF resources, including the structural adjustment facility (SAF) and the special facility for Africa. Those programmes had been designed for a period of 12-36 months depending on the magnitude of the imbalances. Although some degree of adjustment might have been effected in some countries, it was difficult to ascertain empirically the direct relationship between performances in terms of growth of goods and services and other critical macro-economic and financial variables and the existence of the programmes.

13. The total Development Assistance Committee (DAC) external resource flows to African LDCs had fluctuated around an average of \$US 5 billion during the period 1981-1986. It had increased from \$US 4.6 billion in 1981 to \$US 4.9 billion in 1982 and then had dropped to \$US 4.2 billion in 1983 before maintaining a steady rise from \$US 4.7 billion in 1984 to \$US 5.6 billion in 1985 and approximately \$US 6 billion in 1986.

14. About 98 per cent of the total resource flows of approximately \$US 6 billion in 1986 had been on concessional terms. Net disbursement of concessional Official Development Assistance (ODA) had been on the increase since 1981 from \$US 3.8 billion or 81 per cent, to \$US 5.9 billion or 98 per cent of total flows in 1986. In contrast, non-concessional ODA had dwindled from \$US 544.8 million or 11.7 per cent of total flows in 1981 to \$US 151.2 million or 0.03 per cent in 1986. In fact, multilateral non-concessional ODA had shown a reverse flow of \$US 11.8 million in 1986 reflecting repayments in excess of receipts, particularly repurchases from the IMF.

15. With respect to the SNPA target for donors to transfer 0.15 per cent of their GNP to the LDCs as ODA, assistance to African LDCs by the Scandinavian countries had consistently surpassed that target since 1981. In particular, Finland was the only country that had not only attained the target but had doubled its ODA flows to LDCs in 1986. Canada and France had attained the target in 1986 following commitments made within the framework of the Franco-African Summit.

16. The Conference of Ministers of African LDCs had prepared a memorandum as an integral part of the Global Mid-term Review with recommendations for ensuring the attainment of SNPA objectives by 1990. The seventh session of UNCTAD had taken cognizance of those recommendations and achieved a consensus on the need to fully and expeditiously implement the SNPA.

17. The Executive Secretary reminded the experts of General Assembly resolution 42/177 on the convening of an international conference in 1990 to consider, formulate and adopt, as appropriate, national and international policies and measures for accelerating the development process in the least developed countries during the 1990s.

18. He referred to the issues of education and employment which the Committee was to deliberate on and stated that human resources development comprising education and training, the provision of health, nutrition and housing services was the sine qua non for economic development particularly where such development had to be accelerated. He mentioned that those issues had also been considered at a recent International Conference on the Human Dimension of Africa's Economic Recovery and Development whose outcome had been a series of recommendations for a human-focused approach to socio-economic recovery and development in Africa. He stated that it was necessary to examine more critically the allocation of resources among the three levels of training namely primary, secondary and tertiary. Also population and employment policies needed to be integrated into the framework of overall development planning.

19. He finally wished the experts successful deliberations and hoped that their report and recommendations to the Ministers would contribute towards strengthening the foundation for recovery and long-term development in the African LDCs.

20. In his opening statement, Mr. Saidou Suleyman, General Secretary, Ministry of Planning of the Government of Niger, welcomed the participants to the seventh meeting of the Intergovernmental Committee of Experts of African Least Developed Countries and wished them a happy stay and a fruitful conference.

21. Reviewing the problems of the African least developed countries of which his country was one, he stated that most of them had registered an average gross domestic product (GDP) growth rate of 0.86 per cent during the mid-1980s. He explained that such a low growth rate in the face of increasing population growth had led to a worsening of the conditions of life. Five factors had contributed to that situation: these were the world-wide recession, the deterioration in the terms of trade, the indebtedness of the least developed countries, drought conditions and the implementation of inappropriate economic policies. Some progress had been achieved during 1986 with the recovery of agriculture. That recovery was however short-lived as weather conditions had worsened again during 1987. The problems of agriculture had also tended to mask the severe difficulties that were being experienced in the modern sectors of the economy.

22. The General Secretary proposed a number of measures which could be considered as means of alleviating the problems of the least developed

countries. Those measures included taking a united position in the negotiations on external debt so as to strengthen the negotiating capability of the African least developed countries, an increase in the price of commodities, improvement in the terms of trade, rescheduling of debt payments, and better management of debt.

23. He finally wished the delegates success in their deliberations and informed them that their recommendations would be carefully considered by the Ministers. He then declared the meeting open.

24. The meeting took note of the statements.

Review of economic and social conditions in African least developed countries, 1986-1987 (agenda item 4)

25. A representative of the secretariat presented document E/ECA/LDCs.8/EXP.7/2 Review of Economic and Social Conditions in African Least Developed Countries, 1986-1987. He outlined the main findings of the survey. In 1987 overall GDP had registered a growth rate of 3.7 per cent compared to 4.6 per cent in 1986 and a mere 0.26 per cent per annum between 1981 and 1985. However, some countries such as Botswana, Ethiopia, the Gambia, Mali, Rwanda and the Sudan had attained a respectable growth rate of over 5 per cent in their GDP during 1986-1987. Two African least developed countries had registered a negative growth rate in their GDP over the same period. Gross domestic savings had accounted for about 4.7 per cent of the combined GDP of the African LDCs in 1986-1987 and only 31.9 per cent of the total investments.

26. The representative of the secretariat pointed out that the world economic crisis of the early 1980s, as well as major economic problems arising from famine and environmental disasters, had adversely affected the saving capacity of the African LDCs; so had such internal factors as the low per capita income, inelastic tax structures and domestic interest rates which were frequently negative in real terms. The total external debt and liabilities of the group of African LDCs had reached \$US 33.1 billion by December 1986. The debt-service ratio was estimated at 37.0 per cent of export earnings in 1985, and had risen to 39.6 per cent in 1986.

27. With regard to the medium-term prospects of the African LDCs, the representative of the secretariat said that much depended on favourable weather conditions and a substantial improvement in external resource flows, positive trends in commodity prices, significant resource allocations under STABEX and the IMF Compensatory Financing Facility for export shortfalls and adequate debt-relief measures.

28. In the ensuing discussion, delegates commended the secretariat for the quality of the survey. Many of them commented on the analysis made under their respective country profiles indicating in particular errors and discrepancies in the information that had been provided.

29. The representatives of Benin, Botswana, Burkina Faso, Ethiopia, Malawi, the Niger, Togo, Rwanda and the United Republic of Tanzania promised to provide the secretariat with data with which their respective country profiles should be updated.

30. One delegate regretted the fact that the document had not been made available long before the meeting so that comments and corrections could be made to improve its quality and to ensure a more fruitful discussion. He said that there was urgent need for African LDCs to pursue measures aimed at minimizing the impact of the variety of weather conditions on production.

31. Another delegate wished that the secretariat had made more concrete proposals on policy measures to be taken by the African LDCs. That was particularly important for the agriculture sector. Measures should have been proposed for improving agricultural production in spite of adverse climatic conditions through improved water resource management. A sound rural development policy should be based on the concept of collective self-reliance.

32. The meeting took note of the study and recommended that African LDCs should forward on a continuous basis to the secretariat up-to-date information on their economies so that the survey of economic and social conditions in African least developed countries could be as accurate as possible.

Progress towards the implementation of the Substantial New Programme of Action in African least developed countries (agenda item 5)

33. In introducing document E/ECA/LDCs.8/EXP.7/3, a representative of the secretariat reviewed the national actions and policy measures initiated by the African LDCs especially within the framework of adjustment, stabilization, and recovery programmes as well as efforts to mobilize both domestic and external resources for development financing. He also reviewed developments on international support measures, including in particular official development assistance, debt relief and measures aimed at enhancing the export capacity of LDCs. He highlighted the main conclusions and recommendations of UNCTAD VII which were relevant to the LDCs as well as the preparatory activities envisaged by the General Assembly of the United Nations for the holding of an international conference on the LDCs in 1990.

34. The representative pointed out that even as the least developed countries were implementing measures to revitalize their economies, their efforts were being impaired by structural deficiencies, natural calamities as well as the conditionalities imposed by major donors. Other problems faced by LDCs included dwindling resource flows, slower progress in the implementation of the Generalized System of Preferences particularly with regard to products of interest to the least developed countries and also the increasing resort to protectionism and non-tariff measures.

35. There were however some observable changes on the part of the developed countries particularly in the area of aid modalities. Development Assistance Committee (DAC) concessional ODA had reached 91 per cent of total resource flows in 1986. There was now greater flexibility in the financing of project costs, and debt cancellation in favour of African LDCs amounted to \$US 2.1 billion in 1985.

36. In the ensuing discussion, delegates congratulated the secretariat for the presentation and expressed general agreement with the contents of the report. It was pointed out that there was need to re-examine aid modalities, especially the system and procedures of aid disbursements. Disbursement of aid on a reimbursable basis constituted a bottle-neck as the amount of aid inflows depended on a country's ability to find the initial finance. Furthermore access to markets had to be considered in a wider context so as to include such procedures as counter trade which were not dependent on foreign exchange.

37. One representative noted that his country had no experience with structural adjustment programmes and requested information on the advantages and the difficulties related to the implementation of such programmes especially as the secretariat report had indicated that many countries had limited options for development finance and consequently had to accept the conditionalities associated with those programmes. The issue was an important one and the meeting had to take a common stand on it.

38. The observer from UNCTAD drew the attention of the meeting to UNCTAD's 1986 report on the least developed countries, the Final Act of UNCTAD VII which was adopted by the United Nations Conference on Trade and Development at its seventh session and United Nations General Assembly resolution 42/177 on the Second United Nations Conference on the Least Developed Countries which had been made available to the meeting. He acknowledged that very few LDCs had reached or surpassed the SNPA target of 7.2 per cent in real GNP growth as a result mainly of domestic, environmental and external factors. Some donors had also attained the target 0.15 per cent of GNP as ODA. He briefed the meeting on the timetable for the preparatory meetings for the Second United Nations Conference on the LDCs and reminded member States that they were expected to prepare short memoranda on the preparations for those meetings.

39. The observer from UNIFEM explained her organization's concern for the conditions of women and added that her organization had participated in the activities of other agencies so as to ensure that priority was accorded to women and children. UNIFEM would also be co-ordinating its activities with national technical departments to follow up on development programmes so as to review their effects on women and children. She stated that her organization had offices in Dakar (for West and Central Africa) and Harare (for Southern African countries).

Development and utilization of human resources in African least developed countries (agenda item 6)

40. A representative of the secretariat introduced document E/ECA/LDCs.8/EXP.7/4. In doing so, he stressed the fact that the development and utilization of human resources was a multi-faced issue. However, neither time nor resources had permitted a thorough investigation of all aspects of the issue. The present document dealt only with education and training and employment as essential components of human resources development and utilization in the African LDCs.

41. There were no general solutions to the problems of education and unemployment. General policy prescriptions which suited the particular needs of each individual country were difficult to formulate, not only because conditions varied from country to country, but also because the policy needs of a given country varied over time. In reviewing trends in educational development in the African LDCs during the previous two decades the representative of the secretariat referred to the explosion in enrolment at the secondary and tertiary levels. Third-level education was growing faster than secondary education and secondary education was in turn growing more rapidly than primary education. In setting investment priorities, therefore, it was of fundamental importance first to understand what determined the demand for education in order to be able to predict the potential use of a given educational service. Given the fact that all resources were limited and that limited resources had unlimited competing uses, it was necessary to be conscious of the opportunity cost of the use of resources and ensure maximum returns.

42. In the ensuing discussions, representatives thanked the secretariat for the quality of its report and expounded their countries' experiences in the area of human resources development and utilization particularly the participation of the population in the financing of infrastructures. It was indicated that the relevant recommendations of the report had begun to be implemented in most of the countries.

43. It was also noted that the severe lack of intra-African trade constrained the process of profitable job creation within Africa. Presently intra-African import trade accounts for only 5.2 per cent while intra-African export trade stands at only 6.1 per cent. The implication of these statistics is that job creation in the trade area is primarily dictated by Africa's external trade which is currently deteriorating in volume and price terms, thus reducing the continent's job opportunities further. The meeting therefore noted that while there is need to reorient human resource planning to accord with demand, production and resource management in Africa, such a measure needs to be complemented by the opening up of economic boundaries in order to increase the flow of intra-African trade which would in turn create increased production at national and regional levels and the attendant job opportunities.

44. Another point which was also of great interest to the participants was the utilization of primary and secondary school drop-outs. It was suggested that greater efforts be made to develop guidance programmes for the productive

sectors. Such programmes should concern the establishment of appropriate environments (facilities for access to credit, the inputs and products markets, etc.) in order to ensure their total integration into the development circuits.

45. The representative of the United Nations Development Fund for Women (UNIFEM) recalled the mandate of her organization and informed the meeting of the activities and assistance that the Fund had carried out and provided in order to ensure the participation of women in the main development activities. She appealed to ECA that in pursuance of the objectives of the Nairobi Forward-looking Strategies, it should ensure that statistics were presented and analysed by sex. Thus, special attention should be paid to the information aspects of education particularly functional literacy including management courses for women.

46. The meeting recommended that discussions should continue on ways and means of striking a balance between training and employment, between the various cycles of education, and between regular education and functional literacy.

47. In reply to the questions asked by the representative of UNIFEM, the representative of the secretariat assured her that, ECA would continue to give attention to women concerns in its programmes and particularly through the activities of the African Training and Research Centre for Women (ATRCW). Efforts would also be made to improve the presentation and analysis of statistics by sex.

Review of ECA activities in 1986-1987 and work programme for 1988-1989 in favour of the African least developed countries (agenda item 7)

48. A representative of the secretariat introduced document E/ECA/LDCs.8/EXP.7/5 on the "Review of ECA activities in 1986-1987 and work programme for 1988-1989 in favour of the least developed countries in Africa". In doing so, he pointed out that the ECA special programme for the LDCs focused on activities with direct linkage to improvement in the institutional capabilities of the countries in the areas of planning, programming and project preparation as well as in the design of appropriate development strategies and policies.

49. During the period 1986-1987, the Commission had provided advisory services to three African LDCs on planning and the preparation of economic recovery and financial programmes. The "Review of economic and social conditions in African least developed countries" for 1985-1986 and 1986-1987 as well as two progress reports on the implementation of the SNPA were prepared and presented to the policy organs of the African LDCs. The Commission had also prepared, upon the request of the Conference of Ministers of LDCs, two in-depth analytical studies. These were on the "Implications of structural adjustment and stabilization programmes on long-term growth and development in the African LDCs, 1986" (E/ECA/LDCs.7/EXP.6/4) and the "Development and utilization of

human resources: the case of the African least developed countries, 1987" (E/ECA/LDCs.8/EXP.7/4). Various other activities had been undertaken to assist the African LDCs practically in all fields by the different substantive divisions of the Commission within the framework of the ECA inter-divisional Committee on LDCs.

50 During the biennium 1988-1989, the Commission would prepare and present to the policy organs, the regular annual publications on the review of economic and social conditions and the assessment and review of the implementation of SNPA. An in-depth study on the "Financial structure and utilization of resources in Africa LDCs" would be prepared and provisions had been made to undertake six advisory missions to member States on request.

51. During the discussion, the secretariat was congratulated for the efforts taken in favour of the LDCs in spite of the financial crisis in which it found itself. The discussion centred on the nature and form of assistance and advice that the Commission could and should offer to LDCs to help improve their socio-economic conditions. Attention was drawn to the limited number of advisory missions and the fact that the beneficiaries were often the same. The question of availability and distribution of documents to member States left much to be desired and should be improved.

52. In response, the secretariat pointed out that advisory services were provided on first-come-first-served basis and within the limit of the resources available. Member States were encouraged to first analyse the problems for which assistance was required and to address their request on well-defined and clear topics to the Executive Secretary of ECA who would no doubt look into it diligently. It was stressed that the Commission was not a financial institution but it was endowed with experts in practically all fields of development who could be made available to member States upon request.

53. As for the availability of documents to member States, the secretariat acknowledged the deficiencies and informed the meeting of the efforts made recently including the use of various channels like the Embassies in Addis Ababa, UNDP offices and the MULPOC offices to improve their distribution. Those efforts would be intensified. However, the secretariat believed that the situation could also be improved if individual experts could make requests for specific documents directly to the secretariat.

Consideration and adoption of the report of the experts (agenda item 8)

54. The meeting considered and adopted the report and the resolution annexed hereto for submission to the eighth meeting of the Conference of Ministers of African Least Developed Countries.

Closure of the meeting (agenda item 9)

55. The chairman of the seventh meeting of the Intergovernmental Committee of Experts of African Least Developed Countries thanked participants for the high level of discussions and expressed the gratitude of the Committee to the secretariat for the excellent documentation it had provided to enable the smooth conduct of the meeting.

ANNEX

RESOLUTION

PREPARATION FOR THE SECOND UNITED NATIONS CONFERENCE OF
LEAST DEVELOPED COUNTRIES

The Conference of Ministers of African LDCs,

Recalling General Assembly resolution 42/177 of 11 December 1987 on the United Nations Conference on LDCs,

Further Recalling ECA resolution 397 (XV) of 12 April 1980 entrusting the Conference of Ministers of African Least Developed Countries with the responsibility for ensuring the co-ordination of efforts, establishing priorities, monitoring and evaluating progress under the comprehensive New Programme of Action and the Substantial New Programme of Action (SNPA) in African least developed countries,

Recalling also the Final Act of UNCTAD VII which recommended that a high-level United Nations Conference on LDCs should be convened in 1990 to appraise and review the implementation of the SNPA,

Deeply concerned at the continuing deterioration in the socio-economic situation in African LDCs,

Convinced that the Proposed Second Conference will make it possible for the international community to appraise and/or evaluate the progress made in the implementation of the SNPA for the LDCs,

Noting the series of preparatory meetings to be convened by UNCTAD,

Emphasizing the need for thorough preparations for the United Nations Conference on the LDCs,

1. Decides to devote its ninth meeting to the preparations for the Second United Nations Conference on LDCs;

2. Calls upon all African LDCs not only to undertake an evaluation of the progress made in the implementation of the SNPA but also to participate actively in the preparatory meetings of the Second United Nations Conference on LDCs;

3. Requests African and international organizations especially ECA, UNCTAD and OAU to provide all necessary technical assistance to the African LDCs, in the evaluation of progress made in the implementation of SNPA and in the formulation of the new strategy to be presented to the conference;

4. Urges donor countries and international financial institutions to accord high priority to the preparatory meetings and participate in them at high level.